



# feasibility studies for community facilities



Ontario

Ministry of  
Citizenship  
and Culture

Hon. Bruce McCaffrey  
Minister  
Ward Cornell  
Deputy Minister

Pam:001.89  
OCC

POLARPAM

PAM

1

POLAR



## Community Programs Offices

### Northwest Region

1825 E. Arthur St.  
Thunder Bay, P7E 5N7  
Phone 807-475-1255

479 Government Rd.  
Box 3000  
Dryden, P8N 3B3  
Phone 807-223-2271

### Northeast Region

215 Oak Street E.  
North Bay, P1B 1A2  
Phone 705-474-3821

390 Bay St., 3rd Flr.  
Sault Ste. Marie  
P6A 1X2  
Phone 705-942-3751

199 Larch St., 4th Flr.  
Sudbury, P3E 1C4  
Phone 705-675-4346

22 Wilcox St., 2nd Flr.  
Timmins, P4N 3K6  
Phone 705-267-7117

### Eastern Region

1 Nicholas St., 11th Flr.  
Ottawa, K1N 7B7  
Phone 613-566-3725  
613-566-3728

280 Pinnacle St., Suite 3  
Belleville, K8N 3B1  
Phone 613-968-3474

1055 Princess St.,  
Suite 304  
Kingston, K7L 5T3  
Phone 613-542-7349

### Central East Region

700 Bay St., 8th Flr.  
Toronto, M7A 2R9  
Phone 416-965-3392

114 Worsley St.  
Barrie, L4M 1M1  
Phone 705-737-3301

305 Stewart St.  
Peterborough, K9J 3N2  
Phone 705-748-3711

### Central West Region

119 King St. West, 8th  
Flr.  
Box 2112  
Hamilton, L8N 3Z9  
Phone 416-521-7229

71 King St., Suite 301  
St. Catharines, L2R 3H7  
Phone 416-688-6472

55 Erb St. E., Suite 307  
Waterloo, N2J 4K8  
Phone 519-886-3520

### Southwest Region

495 Richmond St., 5th  
Flr.  
London, N6A 5A9  
Phone 519-438-2947

427 Tenth St.  
Hanover, N4N 1P8  
Phone 519-364-1626

250 Windsor Ave., 6th  
Flr.  
Windsor, N9A 6V9  
Phone 519-256-4919

Printed by the Queen's Printer  
for Ontario  
Province of Ontario  
Toronto, Canada.

© 1982 Government of Ontario

Copies available at \$1.00 from the On-  
tario Government Bookstore, 880 Bay  
St., Toronto for personal shopping.  
Out-of-town customers write to  
Publications Services Section, 5th  
Floor, 880 Bay St., Toronto, Ontario,  
M7A 1N8. Telephone 965-6015. Toll  
free long distance 1-800-268-7540, in  
Northwestern Ontario 0-Zenith 67200.

### Date Due

57621

Pam:001.89  
OCC

Ontario. Ministry of Citizenship  
and Culture.  
Feasibility studies for community  
facilities.

DATE LOANED	BORROWER'S NAME	DATE DUE
JUL 12 '96		
1996 JUL 12		
RETURN AUG 28 '97		

57621

Ontario. Ministry of Citizenship  
and Culture.  
Feasibility studies for community  
facilities.

Pam:001.89  
OCC

Boreal Institute for Northern  
Studies Library  
CW 401 Bio Sci Bldg  
The University of Alberta  
Edmonton, AB Canada T6G 2E9



# why do a feasibility study?

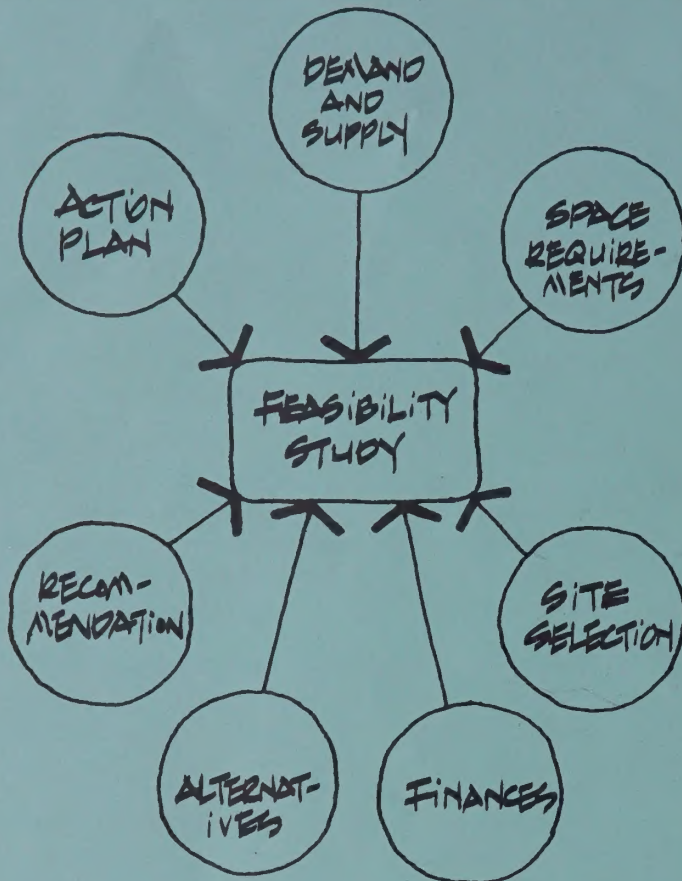
A feasibility study helps to make decisions. A feasibility study makes sure that all involved individuals and groups have complete information on which to base their decisions. A feasibility study helps to protect the long-term leisure interests of your community.

There are different areas of concern for different projects. The study reports facts and attempts to balance conflicting demands. What is the problem? What are the goals for this part of our community life? What can now be done once all the costs and options are known?

The objectives of the feasibility study are:

- To identify the demands of the community for certain recreational and cultural activities and determine how to meet these needs now and in the future.
- To identify and analyse the condition and use of existing local and regional facilities and programs.
- To recommend the most effective investment of public or private funds to meet these needs.
- To facilitate maximum citizen participation in setting priorities and deciding how dollars should be allocated.
- To provide all the information needed to make a decision that may impact on community programs and funds for 30 to 50 years.

# what is a feasibility study?



Has someone suggested the construction of a new facility, renovation of an existing building or perhaps the conversion of a building to a new use? But how much will it cost? Does it really meet the needs of your community? In short, is it feasible? You can use a feasibility study to help answer these questions.

You and your organization or committee are considering how to better serve the cultural and recreational interests of your community. A feasibility study is an effective technique for:

- Gathering information.
- Understanding this information.
- Recommending a course of action.
- Making a decision

First of all the study considers the problem from the community users' point of view — how can better opportunities for leisure activities be provided? The study takes into account existing activities, facilities and patterns of use. It then examines alternative ways of solving the problem. On the basis of cost and effectiveness, the best course of action can then be identified.

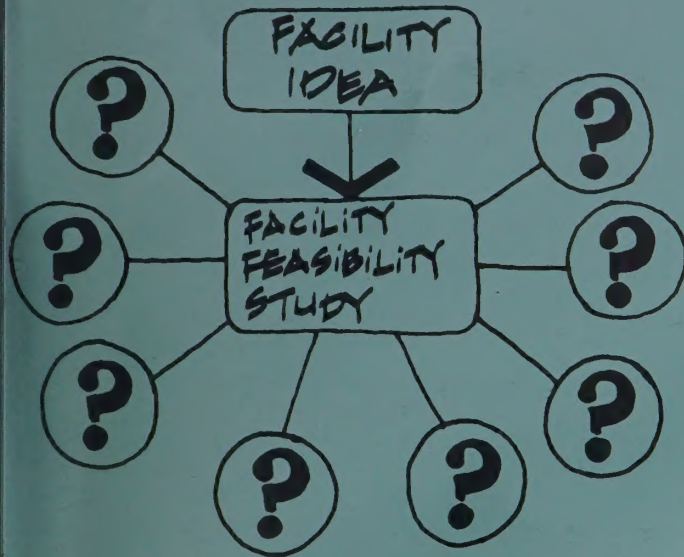
BOREAL INSTITUTE  
LIBRARY

57621

Rec'd: SEP 13, 1984  
Order No. 17027A  
Price: \$1.00  
Acc. No. Ont. Govt.  
Bookstore.



# when is a study needed?



FEASIBILITY STUDY  
EXAMINES ALTERNATIVES

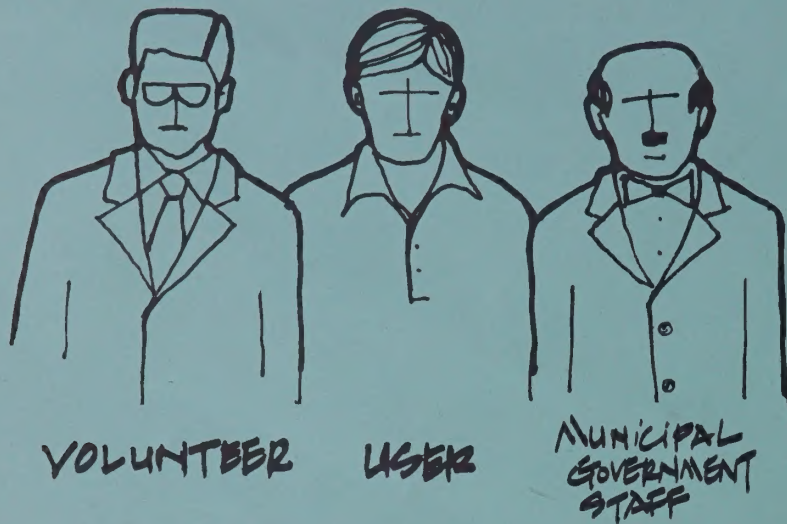
When is a feasibility study needed? Rather than using a capital dollar value that requires a feasibility study or other rule-of-thumb, the decision should rest on the nature of the issue:

- Is the need for a facility proven and documented, based on current data?
- Have all possible alternative ways of meeting this need been examined?
- Are all financial aspects accounted for, including operating and program costs?
- Have all involved groups been consulted and is there agreement on a course of action?

In the present climate of cost uncertainty, and considering the influence of increased labour and energy costs on operating costs, financial considerations will always need careful attention.



# preparing for a study



THE FEASIBILITY STUDY TEAM

## assemble study team

After determining that a feasibility study is necessary in order to make a decision, the first step is to form a study team.

The role of the study team is to manage the feasibility study:

- Write terms of reference in order to define the nature and purpose of the study.
- Arrange for funding of the feasibility study.
- Select a professional consultant if it is determined that outside assistance is required to carry out all or parts of the study.
- Check up on the study as it is being carried out.
- Review and evaluate the study report when it is completed.

The members of the study team are selected for their combination of interest and expertise.

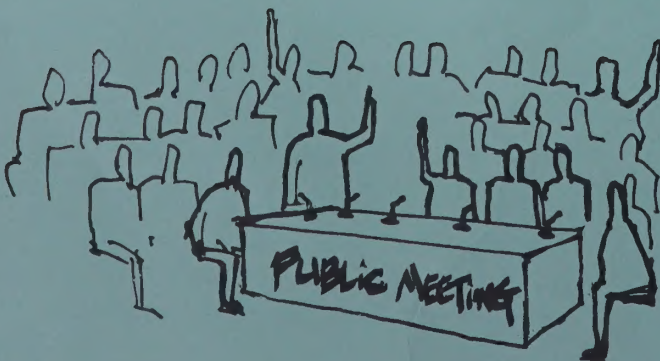
Community group volunteers — members of interested organizations have an obvious concern and need to be involved. Only those persons affected by the issues who are capable of taking an objective view should be sought.

Municipal government staff — members of planning or recreation departments are needed for their broad community perspective and knowledge of what other communities are doing.

Other individuals — there may be other persons who, because of their professional expertise or other skills, may be able to make an important contribution to the study team.

## plan for community participation

Community involvement is critical for a successful study. The importance of community support for implementing the results of a feasibility study is clear. Build that support during the study by providing opportunities for participation:





- Surveys.
- Public meetings.
- Briefs.
- Interviews.
- Task groups.

A variety of individuals and groups can provide valuable input during the feasibility study:

- The general public.
- Community organizations.
- Users.
- Local agencies and institutions.
- Special-interest groups.

### **collect documents**

Take advantage of existing studies, reports and plans. Identify them. Gather them. Understand how they affect the problem under examination in the feasibility study.

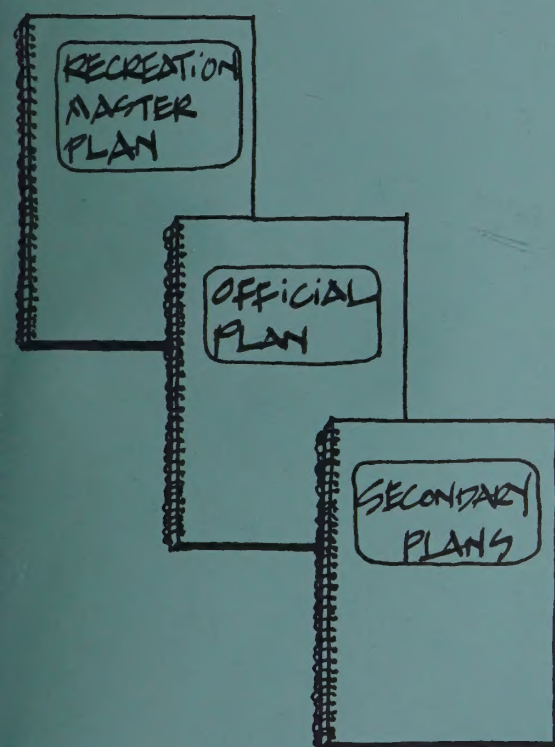
- Master plan — if a cultural and recreational master plan for your community is completed, it will be a valuable source of information on the existing resources and the needs of your community.
- Official plan — relevant sections of the official plan, secondary plan, transportation plan and other land-use planning reports may need to be taken into consideration.
- Other studies — other feasibility studies, other social-planning reports, tourism and business development studies of your area may have useful information.

### **identify other resources**

Take advantage of opinions and advice from knowledgeable individuals and organizations in the field:

- Staff of existing facilities.
- Provincial sports-governing bodies.
- Art gallery and museums associations.
- College and university faculty.
- Municipal and provincial government staff.

At some point it may be necessary to purchase the services of an outside consultant. This professional will be able to provide additional expertise important to deciding the issues.



# study process

---

The feasibility study may be completed in a couple of months or may require a longer period. Common features to most feasibility studies are shown in the flow chart and are described below.

## **preparation for the study**

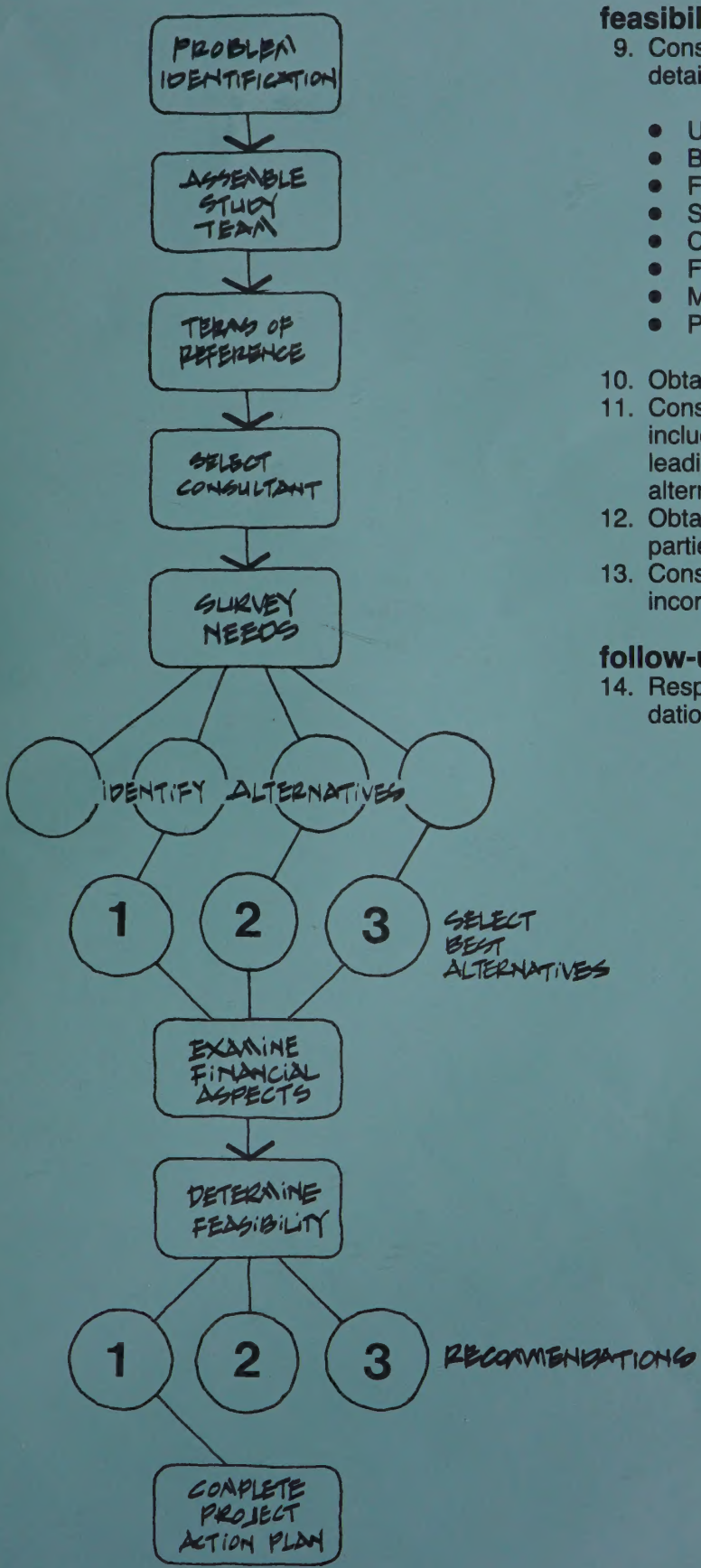
1. Assemble a study team that is able to identify the problems and has the expertise needed to manage the feasibility study.
2. The study team develops the terms of reference for the feasibility study after agreeing on the purpose of the study.
3. Study team obtains funds for the study.
4. Study team selects a consultant after calling for proposals. Begin study.

## **needs identification**

5. Consultant analyses needs for specific cultural and recreational opportunities.
6. Obtain community input.
7. Consultant selects alternatives best suited to meeting identified needs for detailed consideration.
8. The study team reviews work to date and makes the decision to move into the detailed consideration of alternatives.



IDENTIFICATION  
 X  
 FEASIBILITY ASSESSMENT



### feasibility assessment

9. Consultant examines the alternatives in detail, considering:
  - Use.
  - Benefit to the community.
  - Facility requirements.
  - Sites.
  - Costs — capital and operating.
  - Funding.
  - Management.
  - Programming.
10. Obtain community input.
11. Consultant prepares a draft final report including all pertinent data and analysis leading up to the selection of the best alternative.
12. Obtain input on draft from all involved parties.
13. Consultant prepares final report incorporating necessary changes.

### follow-up to feasibility study

14. Responsible parties carry out recommendations according to action plan.



# do not forget ...

Do not forget to involve all decision-makers:

- Your organization or agency has been charged with the responsibility for investigating all aspects of the proposed facility. It will closely review the study before deciding to accept it.
- The community-at-large will be both the users and the financial supporters of a facility. They want to be sure it is responsive to their needs and within their budgets.
- Funding sources find the feasibility study an important aid in determining the suitability of the project and its social and financial implications.
- Architects or other professionals will use it to help them meet community needs.

Do not forget to clear up:

- Organizational conflicts. Unresolved problems within your organization can stand in the way of the study or any other activity.
- Questions about the purpose of the study. Figure out where you are going before you set out.

Do not forget to make sure that the study includes:

- Alternatives. The feasibility study should provide a basis for discussion of different courses of action.
- Community participation. The public needs to be kept informed of the issues during the feasibility study stage, so that when time comes to implement the recommendations they are ready with their support.

Do not forget to avoid:

- Bias on the part of the study team. The authors may have a financial or other interest in seeing the building built that precludes a careful review of need and of alternatives involving joint-use of existing facilities, for example.
- Hidden assumptions. That which is included in cost figures and what is not included should be made clear.
- Questionable projections. Are operating cost estimates reasonable in view of increasing energy and labour costs? Are revenue projections realistic?

Whether it is short or long, handwritten or typeset, the feasibility study is only a means to an end. That end is the involvement of the community in the determination of how and when public funds are going to be spent to provide beneficial leisure experiences.

The following pages will give you a better idea of what is done in a feasibility study.





# **needs identification**

- 1.1 Set objectives**
- 1.2 Collect data**
- 1.3 Determine needs**
- 1.4 Select alternatives**



# 1.1 set objectives

---

Set out the objectives for the study. The objectives describe the purpose of the study. The objectives show what issues are going to be resolved by the study.

Make sure that all involved have had a chance to discuss and understand these study objectives.

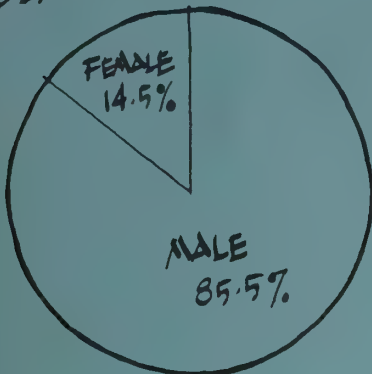
The study objectives are usually first written down in the terms of reference. They guide the study through to its completion. They are referred to throughout the course of the study.

If a consultant is preparing the study for you, make sure that he or she understands what your objectives are.

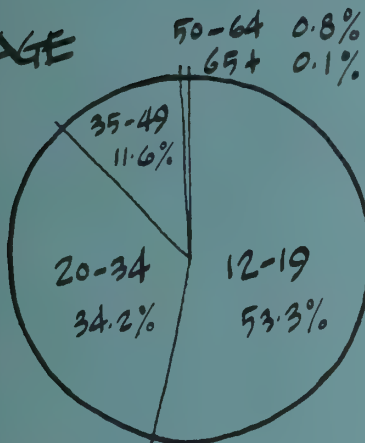


# 1.2 collect data

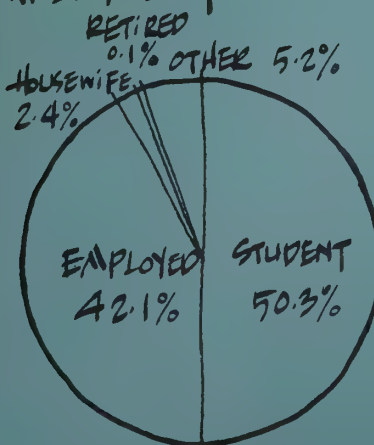
## SEX



## AGE



## EMPLOYMENT



## PROFILE OF ICE HOCKEY PLAYERS IN ONTARIO

### background data

The physical, social, cultural and economic characteristics of the community or region furnish a general picture of its interest in and its ability to support the proposal under consideration.

- Population data:
  - Age, sex breakdown.
  - Ethnic origins.
  - Occupations.
  - Income levels.
  - Education levels.
- Local and regional settlement patterns.
- Population growth projections.
- School growth projections.
- Economic growth projections.
- Official plans, secondary plans, recreation plans.

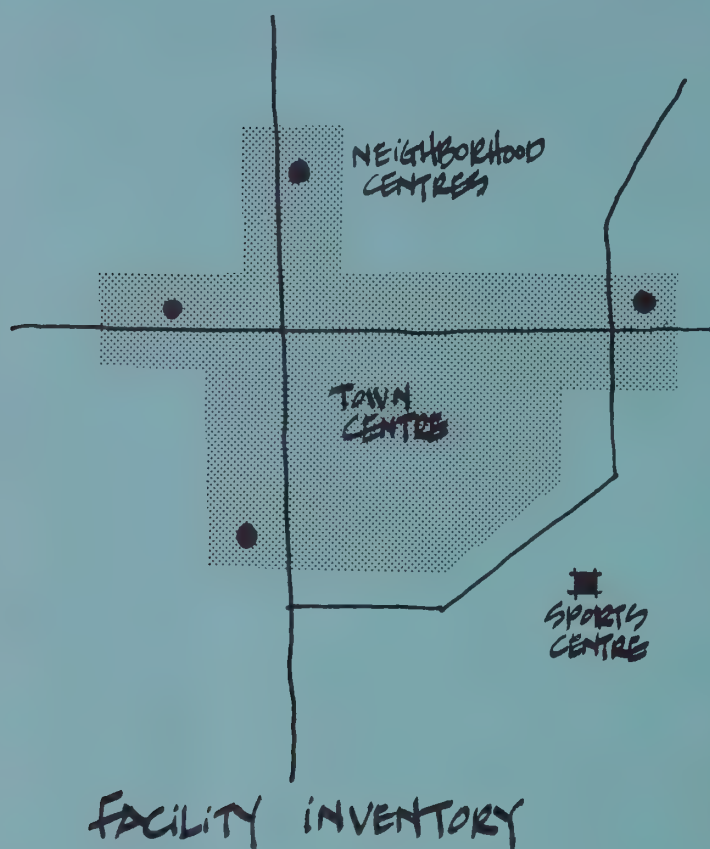
### activity data

Activity pattern data establishes who is interested in what, when and, if possible, why. The data's purpose is to help in the development of a community-based recreation service package.

The activity inventory can help the study identify important features of recreation in the community. For example, it may show:

- Past activity patterns — which activities and when?
- Motivations behind past behaviour — why did you or didn't you participate?
- Activity preferences — passive, active, arts, crafts, physical recreation, team sports, individual fitness.
- Profiles of the participants — age, location of home, income, and occupation.

A cultural and recreational master plan for your community may have useful information on activity patterns. If there is no master plan then activity data should be collected using program registration data, questionnaires, interviews, observation or any other appropriate technique.



## supply data

The supply inventory is used to determine if existing facilities can be used or new arrangements made for their use.

The supply inventory will require a complete survey of facilities or an update of previous inventories. The supply inventory should provide enough detail to enable a decision to be made as to whether existing facilities could be utilized or reorganized to meet the needs of the future.

The supply inventory considers every useful possibility:

- Municipal facilities.
- Other government facilities — provincial and federal parks and institutions.
- Conservation authorities.
- Armed forces bases.
- Private clubs — fitness centres, country clubs, apartment buildings, resorts.
- Agencies — Y's, boys clubs.
- Schools — elementary, secondary, colleges and universities.
- Commercial and industrial operations.
- Theatres.
- Churches.
- Facilities in surrounding communities.
- Regional complexes.
- Vacant land and empty buildings.
- Hydro rights-of-way, abandoned rail lines and greenbelts.
- Galleries and museums.

The study may use maps and other visual aids to present the results, with additional information showing:

- Who operates them.
- Who uses them
- How much they are used.
- Whether they are financially secure.
- How far the users travel.
- Any facilities scheduled for renovation or expansion.
- What new facilities are in the planning stage.



# 1.3

## determine needs

"THE COST OF A THING  
IS THE AMOUNT OF  
WHAT I CALL LIFE  
WHICH IS REQUIRED  
TO BE EXCHANGED  
FOR IT IMMEDIATELY  
OR IN THE LONG RUN."

HENRY DAVID THOREAU  
WALDEN

Oversupplying a community with one type of facility or large single-purpose facilities may carry a long-term penalty. Dollars might have been better spent to provide a variety of opportunities or smaller multiuse facilities. Leisure interests will be affected by the changing proportion of elderly in Ontario's population and other local factors. Facility development must be guided by the leisure goals of the community.

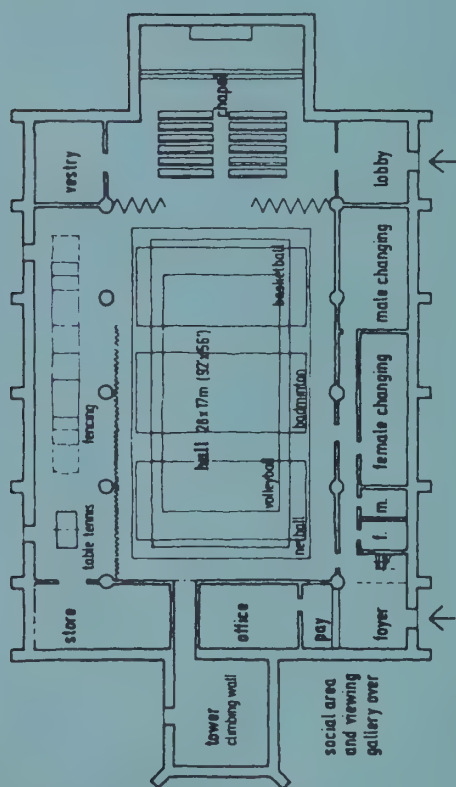
Data collected about activity patterns and the supply inventory help to identify needs. The consultant uses appropriate analytical techniques to identify facility and activity priorities.

The following techniques are often used in combination to insure that an objective analysis of need is reached:

- Public participation and user-oriented methods — meetings, surveys and questionnaires are used to identify community priorities on an individual or group basis.
- Objectives approaches — from a set of goals such as access, variety and quality, measurable objectives are developed such as maximum service area and capacity of a facility for a given user population.
- Economic approaches — based on measuring the costs and benefits of alternative approaches to supplying services and facilities.
- Social indicator methods — assumes recreation experiences meet certain human needs. Information on the social and economic character of the community is used to indicate needed facilities.
- Standards techniques — relate facilities to population. Examples of standards are: user standards, space standards and service area standards.

# 1.4 select alternatives

The different approaches to facility development take advantage of various local conditions. Balance the priorities of your community with your resources. Each alternative provides a different path to recreational and cultural goals.



POSSIBLE CONVERSION OF  
A CHURCH FOR RECREATION  
USE,

SPORTS COUNCIL,  
RECREATIONAL USE OF  
CHURCH BUILDINGS

## a. renovate existing facilities

Structural or interior upgrading to expand existing uses.

- Upgrade mechanical services.
- Relocate activity areas, entrances, exits, circulation paths.
- Improve storage areas, acoustic treatments, lighting systems, communication systems, playing surfaces, access for people with disabilities.

## b. convert existing facilities

Structural or spatial alterations to allow a new use of an existing facility, for example churches, factories, railroad stations, schools, supermarkets, gas stations, and heritage buildings can be converted to libraries, theatres, galleries, community centres and other cultural and recreational facilities.

## c. shared and joint-use agreements

A facility can be used by more than one organization or community in order to obtain maximum value for facility dollars:

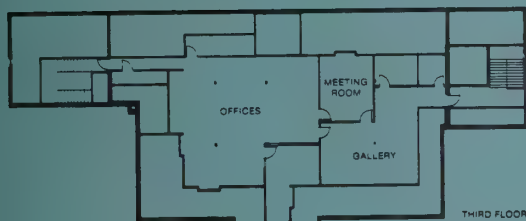
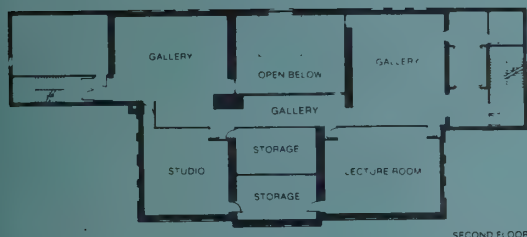
- Direct cost-sharing in planning, construction and maintenance.
- Direct rental (hour/day) charged to the user.
- Reciprocal arrangement — exchange of use of each other's facility for free or a nominal charge.
- Payments to the facility owner in exchange for availability of the recreation component for general public use in after-hours. The payments can be offered for construction, renovation or the programming.

## d. lease existing or specially built facilities or land

Eliminate capital costs by accepting higher annual costs; for programs with a limited life-span, when capital funds are not available or if the need is immediate.

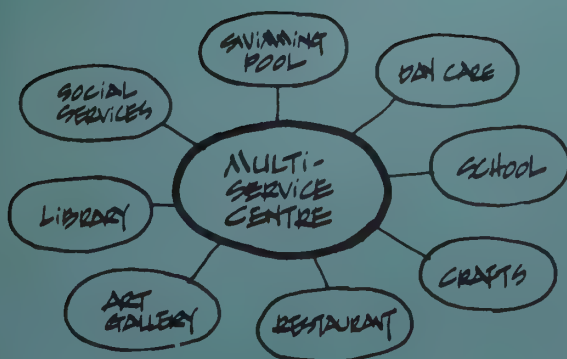
- Temporary communities.
- New activity booms — skateboarding, indoor tennis.
- Prohibitive land costs.





MACDONALD  
STEWART  
ART CENTRE

CONVERSION  
OF AN OLD  
SCHOOL



SOME COMPONENTS  
OF A MULTI-SERVICE CENTRE

#### e. subsidize existing or new facilities

Provide financial or other support to owners and operators of desirable facilities.

- Make land available.
- Guarantee minimum amount of usage.
- Provide tax incentives.

#### f. increase efficiency of existing facilities

Meet new needs with existing facilities by operational changes.

- Lengthen hours of operation.
- Shorten rental periods.
- Increase programs.
- Increase off-peak use.
- Enlist volunteer help.
- Improve energy efficiency.

#### g. increase promotion of less capital intensive activities

For example, encourage cross country skiing, and reduce subsidies for activities involving high capital and operation costs.

#### h. multi-service centres

Combine recreation along with arts, cultural, social services or other compatible activities to fulfil a broader social function and reduce all costs.

#### i. new construction

Necessary because of new programs, new communities, lack of suitable existing building stock.

#### j. cancel project

Needs not firmly identified or major changes in community taking place indicate that the project is not justified.

#### k. delay project

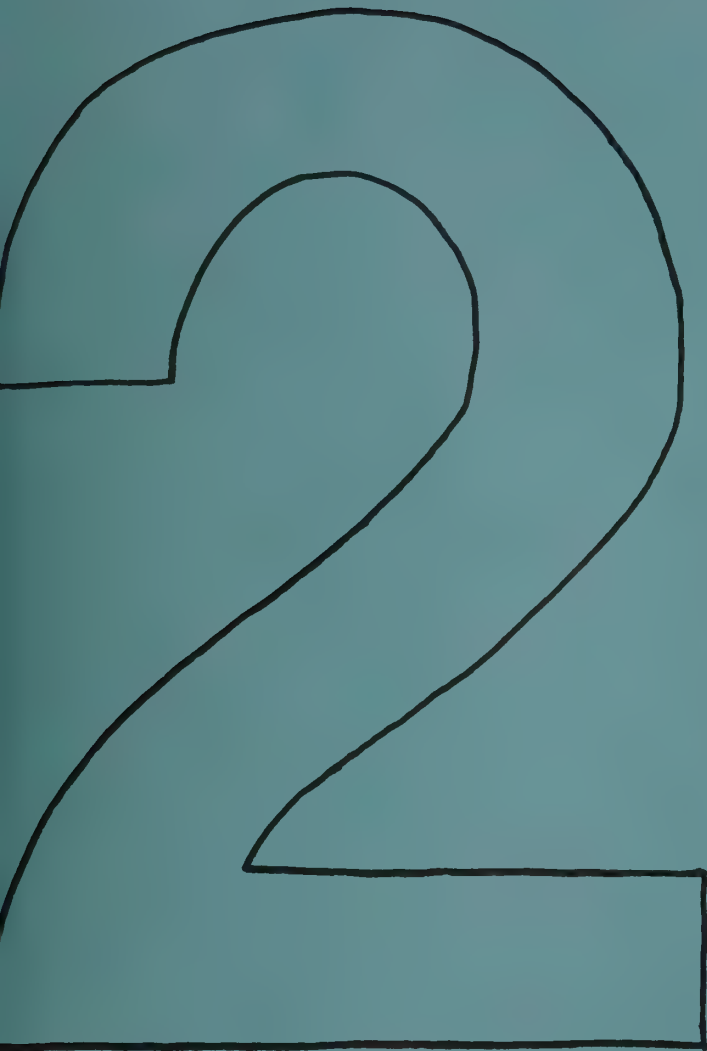
Temporary uncertainties point to reconsideration at a later date. Specify exact date when the next review of the proposed project would begin.

Select the most feasible project alternatives for more detailed consideration in the second part of the study. Aim to make the best uses of your community's resources.

- Existing facilities.
- Dollars from inside and outside the community.
- Program leadership potential.
- Varieties of leisure interests.
- Citizens of the future.

This is a convenient point for a review of the progress made so far. The study team and the community will question or endorse the consultant's documentation of needs and selection of project alternatives. Recommendations for further action will be examined and, if appropriate, a detailed examination of the feasibility of the better alternatives will begin.





# **feasibility assessment**

- 2.1 Describe alternatives**
- 2.2 Program potential?**
- 2.3 Space requirements?**
- 2.4 Site selection?**
- 2.5 Capital costs?**
- 2.6 Capital funding?**
- 2.7 Operating costs?**
- 2.8 Revenues/management?**
- 2.9 Recommendations**
- 2.10 Action plan**

# 2.1

## describe alternatives

The next stage of the study is to find the most practical method for meeting some of the needs identified in the first part of the study. Each of the alternatives that have been discussed are now examined in detail.

Each alternative needs to be explored. Particular attention will be paid to an accurate and complete accounting for all its costs. These costs include not only those associated with developing the facility, but also those needed to keep it going over its expected life-time. Therefore, in addition to capital expenditures, detailed consideration is given to the operating budget for the first five years.

Describe each alternative. Analyse each alternative with consideration given to aspects that follow.

# 2.2

## program potential?

Look at the program potential of each alternative. How will it be effective in meeting the needs of the community?

How and when are recreation and/or cultural opportunities going to be provided by the proposed facility? Analyse each activity separately:

- Goals and objectives of each program.
- Number and grouping of users.
- Personnel required.
- Timing of activities.
- Furnishings and equipment needed.
- Relationship to other activities.



# 2.3

## space requirements?

MULTI-SERVICE CENTRE

	Gross Area	
	sq.m.	(sq.ft.)
Swimming Pool	1300	14,100
Ice Rink	2193	23,600
Secondary School Gym	790	8,500
Elementary School Gym	753	8,100
Multi-Activity Rooms	548	5,900
Secondary School Addition	780	8,400
Elementary School	1830	19,700
Day Care (Pre-school)	149	1,600
Library	1031	11,100
Teen Lounge	186	2,000
Seniors Lounge	167	1,800
Family Games Area	107	1,000
Arts and Crafts Center	158	1,700
Community Information Facilities	399	4,300
Coffee Shop	158	1,700
Center Administration	111	1,200
Plant Maintenance	390	4,200
TOTAL	11060 m <sup>2</sup>	118,900 sq.ft.

EXAMPLE OF SPACE  
PROGRAM OF A  
COMMUNITY CENTRE

Space requirements detail the areas required for each function in the facility, not only the primary activity space but also support areas such as storage rooms and mechanical equipment.

The space program needs to be detailed enough so that a preliminary cost calculation can be made by an architect or quantity surveyor.

Estimates of areas needed to meet various functional requirements are available from:

- Lists of space requirements for existing facilities.
- Construction drawings or measurements of existing facilities.
- Texts on facility design.
- Facility operators.
- Design consultants.
- Equipment manufacturers.
- Statutory requirements such as the building code.

# 2.4 site selection?

## SITE CRITERIA

- LOCATION
- ACCESSIBILITY
- SIZE AND SHAPE
- AESTHETICS
- POLLUTION
- UTILITIES
- PUBLIC CONTROL
- LAND USE AND  
PROPERTY DEVELOPMENT  
REQUIREMENTS
- TOPOGRAPHY
- SOIL
- SURFACE AND  
GROUND WATER
- VEGETATION AND  
WILDLIFE
- CLIMATE AND  
MICROCLIMATE
- COST

Where land or buildings are available, what they cost and how accessible they are to the expected users are the questions to be answered about potential sites. A comparison of various sites will consider:

- Geographic location — public transportation, distance from users using various modes of transport from walking to automobiles.
- Size and topography — parking, grading, potential for expansion.
- Cost of acquisition — current ownership.
- Security of tenure when land is not to be bought outright.
- Soil and drainage conditions.
- Services — water, gas, sewer, hydro.
- Present structures and usage.
- Easements.
- Social impact — adjacent land uses.
- Environmental impact — vegetation and animal populations.
- History — for buildings of heritage significance.

Each site can be evaluated according to these factors. Usually the choice becomes obvious due to location and cost. In more complex situations, where a greater number of sites are being considered or in cases of unknown social and environmental impacts, separate studies may have to be done before a final selection can be made.



# 2.5

## capital costs?

### CAPITAL COSTS :

- SITE ACQUISITION
- DESIGN AND MANAGEMENT
- CONSTRUCTION
- FURNITURE & EQUIPMENT
- SITE PREPARATION
- SUPPLIES
- CLERK-OF-WORKS
- ADMINISTRATION AND LEGAL FEES

The capital portion of a facility budget is the largest single expenditure. The total yearly costs for operation and use may far exceed this initial expenditure, however. The feasibility study team should be aware of costs for the life-time of the facility.

The development of a capital budget for a facility depends on the accurate estimate of projected costs for construction. The capital cost of a facility is made up of the following costs:

- Acquisition of land — surveys of potential sites, soil testing, land purchase, legal costs if any.
- Architectural fees and planning costs.
- Construction contract — this is the largest part of the project budget.
- Site preparation — these costs include utility service hook-up (water, hydro, sewer, gas), site drainage and landscaping, parking areas, fencing, exterior lighting.
- Furnishings and equipment — generally movable items are outside of the general construction contract and are therefore separately budgeted.
- Supplies and other materials — this includes washroom supplies, light bulbs, groundskeeping equipment, maintenance equipment and other supplies.
- Project manager — a specialist may be involved in supervising construction of large projects.
- Administration and legal costs — these include advertising, postage, accounting, office equipment and fees for preparing legal documents.

# 2.6

## capital funding?

Ways of raising capital monies need to be investigated. The advantages of each can be examined.

- Federal and provincial government grants.
- Municipal funds.
- Service club, individual and commercial support.
- User revenues.
- Debt financing.
- Joint development and operation agreements.

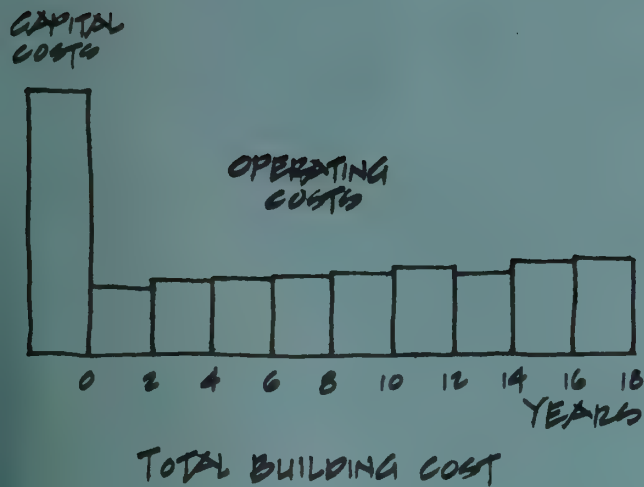
Funding sources should be carefully evaluated and their reliability determined. In doubtful cases, alternate sources should be identified. The availability of sufficient funds at appropriate times is essential for meeting construction deadlines. The feasibility study answers the following questions:

- What is the capability of the community to support fund raising drives? Do they want improved facilities badly enough to pay for them?
- How accurately can capital costs be projected?
- What impact will unforeseen construction cost increases have on the financial feasibility?
- How will construction costs be controlled?
- How is any debt going to be retired?



# 2.7

## operating costs?



Operating costs represent the ongoing obligation faced by your community or organization. The operating cost projection shows funds and personnel needed to maintain and run programs in the proposed facility. Costs should be projected for the first five years of operation of each alternative. These costs can far exceed capital costs over the life of the building.

### building and maintenance costs

Maintenance costs to be reported include:

- Fuel and utilities — oil, gas, water, electricity.
- Cleaning and supplies.
- Preventive maintenance and service contracts.
- Security.
- Financing costs.

### long-term maintenance costs

Certain maintenance activities occur at regular intervals but not annually. They include major maintenance operations such as equipment replacement. They can be planned for in advance, given certain information about the expected life of the equipment. Their cost, which should be considered in the feasibility study, includes:

- Repair and maintenance of equipment, building surfaces, structure, roads and sidewalks.
- Upgrading of fixed and movable equipment.
- Alterations to building and site.
- Redecoration of the building's interior and exterior.

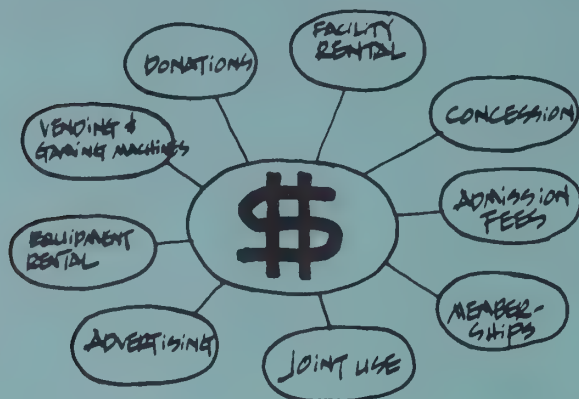
### user program costs

The final cost area is user program costs. They need to be considered to obtain a full picture of what economic impact the recreation facility will have on its community. User costs include:

- Wages of non-operational personnel such as program leaders.
- Supplies and materials used in activities.
- Interior and exterior communications.
- Rented equipment.

# 2.8

## revenues/ management?



The study examines the revenue-generating potential of each alternative. Revenues are produced by:

- Facility rentals.
- Food and beverage concessions.
- Admission fees.
- Memberships.
- Joint-use agreements.
- Advertising space.
- Equipment rental, sales and service.
- Vending and game machines.
- Donations.

This analysis covers the first five years. It gives a projection of the surplus-deficit position that the proposed facility will place your community or organization in. If a deficit results, the means by which funds will be acquired to support the facility must be identified.

In many cases management issues may need to be examined. Large or complex facilities obviously will require effective organizational structures. Increasingly, innovative approaches are being developed to provide better services at less cost.



# 2.9

# recommendations

- **site options**

Seek to minimize cost and maximize accessibility.

- **scale of provision**

Consider building size and quality.

- **multiple-purpose facilities**

Consider eliminating expensive single-function areas in favour of multi-purpose spaces.

- **joint ventures**

Share costs and facilities with other agencies.

- **funding methods**

Alternative funding sources and back-up fund-raising plans.

- **contractual arrangements**

Stipulated sum (lump sum).

Cost plus.

Project and construction management.

Developer proposal — package deal and design build.

- **renovate existing facilities**

Existing facilities are suitable provided certain improvements are made.

- **adapt an existing building**

Valuable buildings in the community could be converted to required new uses.

- **discontinue or defer**

Funds are not available or need has not been proven.

- **build in phases**

Build a self-contained part of the project first, while providing for easy addition of additional phases later. The revenue-generating facility is usually built first. Phases will be related to fund-raising abilities.

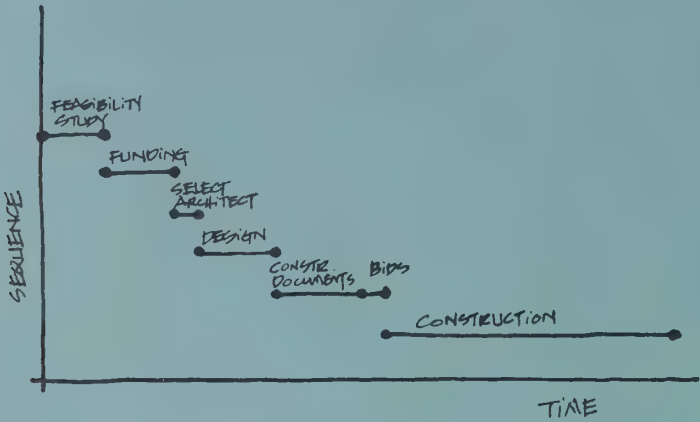
The recommendations convey what the authors of the study think should be done. One particular option is selected that best meets all requirements.

The recommendations are supported by logical arguments based on all the data collected throughout the study process. Here the best alternative or the best combination of alternatives is selected.

# 2.10 action plan

The action plan, the final component of the feasibility study, shows how the recommendations may be implemented — the next step after approval of the study. The action plan outlines the sequence of activities leading to the completion of the recommendations. The time when each activity begins and ends is shown along with the party responsible for its completion.

A feasibility study is not an end in itself. The study is to provide information that enables you to make a decision. The action plan is important because it shows what remains to be done once the decision has been made.



PROJECT SCHEDULE



# summary

## check your understanding

1. The purpose of a feasibility study is:
  - ☐ a. to define need and select the most effective way to satisfy that need.
  - ☐ b. to determine the supplier and model no. of equipment to be installed in a new facility.
2. You can save the most time if, at the start of the study:
  - ☐ a. the consultant writes the terms of reference.
  - ☐ b. the study team agrees on the purpose of the study.
3. The best time to obtain community input is:
  - ☐ a. after the final report has been reviewed and accepted by the study team.
  - ☐ b. throughout the course of the study.
4. Renovation or conversion to new uses of an existing building is:
  - ☐ a. always more expensive and creates unemployment.
  - ☐ b. a labour-intensive way of obtaining additional value from existing buildings and of preserving heritage properties.
5. Operating costs of cultural and recreational facilities:
  - ☐ a. should be seriously considered as part of the feasibility study.
  - ☐ b. are not important in relation to initial capital costs over the life-time of the building.
6. Feasibility studies are an effective decision-making tool when:
  - ☐ a. only used to examine large projects in cities with a population of over 20,000.
  - ☐ b. when a committed study team from a community of any size makes sure that key questions are answered.

Planning studies are useful tools for making decisions affecting leisure services in your community. **Feasibility studies** are used when faced with facility-related issues — what is needed; what is affordable?

A group of concerned and capable individuals serve as the **study team** for the feasibility study. They determine the purpose of the study and then see that the study is successfully carried out.

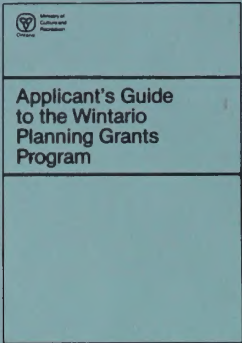
The **terms of reference** are prepared by the study team to help them in the management role. The terms of reference define the purpose of the study, the questions that need to be asked and other study requirements.

In many cases the study team will seek the assistance of a **professional consultant** to carry out the study.

The feasibility study has two main parts: **needs identification** and **feasibility assessment**. The study looks at the existing supply of facilities and programs and obtains **public input** in order to determine what improvements are required. Several **alternatives** are proposed to meet these needs. Program potential, space requirements, sites, capital costs, funding and operating costs are examined leading to **recommendations** and an **action plan**.



# resources



## Applicant's guide to the Wintario Planning Grants Program

The Ministry provides assistance to municipalities and community organizations planning for better leisure opportunities.



## Consultants for planning and facilities

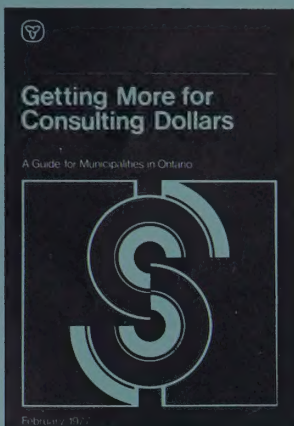
Professionals such as planners, architects, engineers and landscape architects have contributed greatly to improving cultural and recreational opportunities. This publication lists many Ontario firms and some of their projects.



## Culture and recreation master planning

A master plan evaluates the existing supply of cultural and recreational programs and facilities in a municipality. The booklet provides a brief introduction to the municipal master planning process.





**Getting more for consulting dollars**  
 (Publication Services Section, 5th floor, 880  
 Bay St., Toronto, Ont. M7A 1N8, \$3.00.)

Many municipalities and organizations make use of professional consultants. This is a guide to the management of consultants in order to increase their effectiveness.



**Guide to heritage structure investigations**

The best means of conserving any heritage structure is to make good use of it. This guide can be used to plan for the future of heritage property.



**Preparing terms of reference for your feasibility study**

Terms of reference are needed to define the purpose of the study. This checklist will be helpful in making sure your terms are complete.

University of Alberta Library



0 1620 0327 7447